

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6129

BILL NUMBER: HB 1102

DATE PREPARED: Nov 4, 1998

BILL AMENDED:

SUBJECT: Korean War veteran license plates.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill creates a Korean War Veteran Special Recognition License Plate.

Effective Date: January 1, 2000.

Explanation of State Expenditures: Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, would charge the BMV \$2.60 per plate if the newly created plate is not a special recognition plate. If the newly created license plate is a special recognition plate, PEN Products' charge would be based on the number of colors in the design as shown in the schedule below:

Colors	Set-Up Charges	Price Per Plate (99-01)
1	\$105	\$3.90
2	170	4.00
3	235	4.10
4	300	4.30
5	365	4.60
6	430	5.00

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors. If PEN Products does the artwork, there is a \$70 per hour charge. Origination Fees include the film positives and the silk screen charges. The fund affected for PEN Products is **PEN Products Revolving Fund**. The fund affected for the BMV is the **Motor Vehicle Highway Account** which supports the BMV. There will computer and accounting changes for the BMV.

A license plate is designated as a special recognition license plate if: (1) a special group recognition plate is required by statute; (2) a special group recognition license plate is requested by resolution of the General Assembly; or (3) representatives of a special group petition the Bureau of Motor Vehicles. If the plate is not

designated as a special recognition plate, the above costs will not apply. The cost will be \$2.60 per plate. The reason for the price differential is that general issue plate sheeting is used for the non-special recognition plates.

Explanation of State Revenues: Potential revenue from the sales of the Korean War Veteran license plates is not known. There will be an administrative fee of \$12 charged for each plate. Revenue from these plates will be split evenly between the **State License Branch Fund** which supports the license branches and the **Motor Vehicle Highway Account** which supports the BMV.

In 1997, sales of the existing 41 special plates ranged from 63 Marine Reserve plates to 100,146 Children's Trust Plates. Within this potential sales range, revenue resulting from the existing \$12 administrative fee ranged from \$378 to \$600,876 per plate.

It should be noted that it is possible that sales of this special plates could, to some extent, supplant the sales of the other special plates.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (Pen Products).

Local Agencies Affected:

Information Sources: Bureau of Motor Vehicles; Becky Gillam, Director of Sales and Marketing of PEN Products, 387-2001; Pricing data from Pen Products.